



General Assembly

**Substitute Bill No. 1328**

January Session, 2007

\* SB01328BA 060507 \*

**AN ACT CONCERNING THE DEPARTMENT OF PUBLIC UTILITY  
CONTROL.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 16-47 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (a) As used in this section [.] and section 2 of this act, (1) "holding  
5 company" means any corporation, association, partnership, trust or  
6 similar organization, or person which, either alone or in conjunction  
7 and pursuant to an arrangement or understanding with one or more  
8 other corporations, associations, partnerships, trusts or similar  
9 organizations, or persons, directly or indirectly, controls a gas, electric,  
10 electric distribution, water, telephone or community antenna television  
11 company, [. As used in this section,] and (2) "control" means the  
12 possession of the power to direct or cause the direction of the  
13 management and policies of a gas, electric, electric distribution, water,  
14 telephone or community antenna television company or a holding  
15 company, whether through the ownership of its voting securities, the  
16 ability to effect a change in the composition of its board of directors or  
17 otherwise, provided, control shall not be deemed to arise solely from a  
18 revocable proxy or consent given to a person in response to a public  
19 proxy or consent solicitation made pursuant to and in accordance with

20 the applicable rules and regulations of the Securities Exchange Act of  
21 1934 unless a participant in said solicitation has announced an  
22 intention to effect a merger or consolidation with, reorganization, or  
23 other business combination or extraordinary transaction involving the  
24 gas, electric, electric distribution, water, telephone or community  
25 antenna television company or the holding company. Control shall be  
26 presumed to exist if a person directly or indirectly owns ten per cent or  
27 more of the voting securities of a gas, electric, electric distribution,  
28 water, telephone or community antenna television company or a  
29 holding company, provided the department may determine, after  
30 conducting a hearing, that said presumption of control has been  
31 rebutted by a showing that such ownership does not in fact confer  
32 control.

33 Sec. 2. (NEW) (*Effective from passage*) (a) As used in this section,  
34 "affiliate" means a person, as defined in section 16-1 of the general  
35 statutes, as amended by this act, or class of persons that, with a gas  
36 company, as defined in section 16-1 of the general statutes, as amended  
37 by this act, is under the control of the same holding company, or a  
38 person or class of persons that the Department of Public Utility  
39 Control determines to stand in such relation to a gas company that  
40 there is liable to be an absence of arm's length bargaining in  
41 transactions between them as to make it necessary to protect  
42 ratepayers.

43 (b) The Department of Public Utility Control shall establish a code  
44 of conduct that sets minimum standards for gas company transactions  
45 with affiliates to achieve, at a minimum, the following goals:

46 (1) Provide rules for when the purchases or sales of goods or  
47 services between a gas company and an affiliate should be by written  
48 contract based on such factors as the nature, value and term of the  
49 purchase or sale;

50 (2) Provide rules with respect to sharing or giving access to certain  
51 types of customer identifying or commercially sensitive information to

52 affiliates that may differ between regulated and unregulated affiliates;

53 (3) Provide for a system of records and reporting for transactions  
54 between a gas company and its affiliates;

55 (4) Establish standards to ensure that any payment by a gas  
56 company to any affiliate or from any affiliate to a gas company is  
57 appropriate and reasonable;

58 (5) Provide a standard for avoidance of conflict of interest between a  
59 gas company and affiliates;

60 (6) Ensure that any such transactions shall not have an improper  
61 and adverse impact on the costs or revenues of the gas company, on  
62 the rates and charges paid by gas company customers or on the quality  
63 of service provided by the gas company;

64 (7) Ensure that gas company ratepayers do not subsidize affiliate  
65 operations;

66 (8) Ensure fair, appropriate and equitable standards for purchases,  
67 sales, leases, asset transfers and cost or profit-sharing transactions or  
68 any type of financing or encumbrance involving a gas company and its  
69 affiliates; and

70 (9) Ensure that gas supply and distribution services are provided by  
71 a gas company in an appropriate manner to affiliates and nonaffiliates  
72 alike.

73 (c) In addition to the powers granted to the department in section  
74 16-8c of the general statutes, during a rate proceeding under 16-19 of  
75 the general statutes, as amended by this act, the department may  
76 summon witnesses from an affiliate with which a gas company has  
77 had direct or indirect transactions, examine the affiliate under oath and  
78 order production, inspection and audit of its books, records or other  
79 information relevant to any transaction that the department has reason  
80 to believe has or will have an adverse impact on the costs and revenues  
81 of the affiliated gas company. Proprietary commercial and proprietary

82 financial information of an affiliate provided pursuant to this section  
83 shall be confidential and protected by the department, subject to the  
84 provisions of section 1-210 of the general statutes.

85 (d) Each gas company shall submit to the department records and  
86 such information as the department may require, at intervals  
87 determined by the department and in such form as the department  
88 may order regarding affiliate transactions.

89 (e) The department may, upon its own motion, investigate a gas  
90 company's compliance with the code of conduct, and any such  
91 investigation shall be a contested case, as defined in section 4-166 of  
92 the general statutes.

93 (f) The department may make orders to enforce the code of conduct,  
94 including, but not limited to, cease and desist orders and may levy  
95 civil penalties pursuant to section 16-41 of the general statutes against  
96 entities subject to the code of conduct.

97 (g) The code of conduct shall not prohibit communications  
98 necessary to restore gas company service or to prevent or respond to  
99 emergency conditions.

100 (h) On or before November 1, 2007, the department shall adopt  
101 regulations, in accordance with the provisions of chapter 54 of the  
102 general statutes, to establish the code of conduct in accordance with  
103 subsection (b) of this section, related accounting and reporting  
104 requirements and procedures for gas company and affiliate  
105 compliance with this section.

106 (i) Any methodology for the allocation of costs between a gas  
107 company and other companies under the control of the same holding  
108 company currently approved by, or under current orders issued by,  
109 the Securities and Exchange Commission under the Public Utility  
110 Holding Company Act of 1935 or the Federal Energy Regulatory  
111 Commission under the Public Utility Holding Company Act of 2005,  
112 shall be entitled to a rebuttable presumption of reasonableness.

113 Charges rendered to a gas company by an affiliate that is a traditional  
114 centralized service company shall be at cost and entitled to a rebuttable  
115 presumption of reasonableness.

116 Sec. 3. Subsection (h) of section 16-19b of the general statutes is  
117 repealed and the following is substituted in lieu thereof (*Effective from*  
118 *passage*):

119 (h) The Department of Public Utility Control shall continually  
120 monitor and oversee the application of the purchased gas adjustment  
121 clause, the energy adjustment clause, and the transmission rate  
122 adjustment clause. [The] For the energy adjustment and transmission  
123 adjustment clauses, the department shall hold a public hearing thereon  
124 whenever the department deems it necessary or upon application of  
125 the Office of Consumer Counsel, but no less frequently than once  
126 every six months. [, and] For the purchase gas adjustment clause, the  
127 department shall hold a public hearing thereon whenever the  
128 department deems it necessary or upon application of the Office of  
129 Consumer Counsel, but no less frequently than annually. The  
130 department shall undertake such other proceeding thereon to  
131 determine whether charges or credits made under such clauses reflect  
132 the actual prices paid for purchased gas or energy and the actual  
133 transmission costs and are computed in accordance with the applicable  
134 clause. If the department finds that such charges or credits do not  
135 reflect the actual prices paid for purchased gas or energy, and the  
136 actual transmission costs or are not computed in accordance with the  
137 applicable clause, it shall recompute such charges or credits and shall  
138 direct the company to take such action as may be required to insure  
139 that such charges or credits properly reflect the actual prices paid for  
140 purchased gas or energy and the actual transmission costs and are  
141 computed in accordance with the applicable clause for the applicable  
142 period.

143 Sec. 4. Subsection (a) of section 16-19 of the general statutes is  
144 repealed and the following is substituted in lieu thereof (*Effective from*  
145 *passage*):

146 (a) No public service company may charge rates in excess of those  
147 previously approved by the authority or the Department of Public  
148 Utility Control except that any rate approved by the Public Utilities  
149 Commission or the authority shall be permitted until amended by the  
150 authority or the department, that rates not approved by the authority  
151 or the department may be charged pursuant to subsection (b) of this  
152 section, and that the hearing requirements with respect to adjustment  
153 clauses are as set forth in section 16-19b, as amended by this act. Each  
154 public service company shall file any proposed amendment of its  
155 existing rates with the department in such form and in accordance  
156 with such reasonable regulations as the department may prescribe.  
157 Each electric, electric distribution, gas or telephone company filing a  
158 proposed amendment shall also file with the department an estimate  
159 of the effects of the amendment, for various levels of consumption, on  
160 the household budgets of high and moderate income customers and  
161 customers having household incomes not more than one hundred fifty  
162 per cent of the federal poverty level. Each electric and electric  
163 distribution company shall also file such an estimate for space heating  
164 customers. Each water company, except a water company that  
165 provides water to its customers less than six consecutive months in a  
166 calendar year, filing a proposed amendment, shall also file with the  
167 department a plan for promoting water conservation by customers in  
168 such form and in accordance with a memorandum of understanding  
169 entered into by the department pursuant to section 4-67e. Each public  
170 service company shall notify each customer who would be affected by  
171 the proposed amendment, by mail, at least one week prior to the  
172 public hearing thereon but no earlier than four weeks prior to the start  
173 of the public hearing, that an amendment has been or will be  
174 requested. Such notice shall also indicate (1) [the Department of Public  
175 Utility Control] the date or dates, time or times and location or  
176 locations of the scheduled public hearing, (2) a statement that  
177 customers may provide comments regarding the proposed rate request  
178 by writing to the Department of Public Utility Control or by appearing  
179 in person at one of the scheduled public hearings, (3) the department's  
180 telephone number for obtaining information concerning the schedule

181 for public hearings on the proposed amendment, and [(2)] (4) whether  
182 the proposed amendment would, in the company's best estimate,  
183 increase any rate or charge by twenty per cent or more, and, if so,  
184 describe in general terms any such rate or charge and the amount of  
185 the proposed increase, provided no such company shall be required to  
186 provide more than one form of the notice to each class of its customers.  
187 In the case of a proposed amendment to the rates of any public service  
188 company, the department shall hold a public hearing thereon, except  
189 as permitted with respect to interim rate amendments by subsection  
190 (d) and subsection (g) of this section, and shall make such investigation  
191 of such proposed amendment of rates as is necessary to determine  
192 whether such rates conform to the principles and guidelines set forth  
193 in section 16-19e, or are unreasonably discriminatory or more or less  
194 than just, reasonable and adequate, or that the service furnished by  
195 such company is inadequate to or in excess of public necessity and  
196 convenience. The department, if in its opinion such action appears  
197 necessary or suitable in the public interest may, and, upon written  
198 petition or complaint of the state, under direction of the Governor,  
199 shall, make the aforesaid investigation of any such proposed  
200 amendment which does not involve an alteration in rates. If the  
201 department finds any proposed amendment of rates to not conform to  
202 the principles and guidelines set forth in section 16-19e, or to be  
203 unreasonably discriminatory or more or less than just, reasonable and  
204 adequate to enable such company to provide properly for the public  
205 convenience, necessity and welfare, or the service to be inadequate or  
206 excessive, it shall determine and prescribe, as appropriate, an adequate  
207 service to be furnished or just and reasonable maximum rates and  
208 charges to be made by such company. In the case of a proposed  
209 amendment filed by an electric, electric distribution, gas or telephone  
210 company, the department shall also adjust the estimate filed under this  
211 subsection of the effects of the amendment on the household budgets  
212 of the company's customers, in accordance with the rates and charges  
213 approved by the department. The department shall issue a final  
214 decision on each rate filing within one hundred fifty days from the  
215 proposed effective date thereof, provided it may, before the end of

216 such period and upon notifying all parties and intervenors to the  
217 proceedings, extend the period by thirty days.

218 Sec. 5. Section 16-22 of the general statutes is repealed and the  
219 following is substituted in lieu thereof (*Effective October 1, 2007*):

220 At any hearing involving a rate or the transfer of ownership of  
221 assets or a franchise of a public service company, or the formation or  
222 change in control of a holding company, as defined in section 16-47, as  
223 amended by this act, that involves a public service company within  
224 this state, the burden of proving that [said] the rate under  
225 consideration is just and reasonable or that [said] the transfer of assets  
226 or franchise or that the change in control or formation of a holding  
227 company is just and reasonable and is in the public interest shall be on  
228 the public service company or the applicant company. The provisions  
229 of this section shall not apply to the regulation of a  
230 telecommunications service which is a competitive service, as defined  
231 in section 16-247a.

232 Sec. 6. Section 16-6a of the general statutes is repealed and the  
233 following is substituted in lieu thereof (*Effective July 1, 2007*):

234 (a) The Department of Public Utility Control and the Office of  
235 Consumer Counsel are authorized to participate in proceedings before  
236 agencies of the federal government and the federal courts on matters  
237 affecting utility services rendered or to be rendered in this state.

238 [(b) For any proceeding before the Federal Energy Regulatory  
239 Commission, the United States Department of Energy or the United  
240 States Nuclear Regulatory Commission, or appeal thereof, the  
241 Attorney General, upon request of the department, may retain outside  
242 legal counsel in accordance with section 3-125 to participate in such  
243 proceedings on behalf of the department. All reasonable and proper  
244 expenses of such outside legal counsel shall be borne by the public  
245 service companies, certified telecommunications providers, electric  
246 suppliers or gas registrants that are affected by the decisions of such  
247 proceedings and shall be paid at such times and in such manner as the



248 department directs, provided such expenses shall be apportioned in  
249 proportion to the revenues of each affected entity as reported to the  
250 department for purposes of section 16-49 for the most recent period,  
251 and provided further such expenses shall not exceed two hundred fifty  
252 thousand dollars per proceeding, including any appeals thereof, in any  
253 calendar year unless the department finds good cause for exceeding  
254 the limit and the affected entities have an opportunity, after reasonable  
255 notice, to comment on the proposed overage. All such legal expenses  
256 shall be recognized by the department as proper business expenses of  
257 the affected entities for rate-making purposes, as provided in section  
258 16-19e, if applicable.

259 (c) For any proceeding before the Federal Energy Regulatory  
260 Commission, the United States Department of Energy, the United  
261 States Nuclear Regulatory Commission, the Securities and Exchange  
262 Commission, the Federal Trade Commission, the United States  
263 Department of Justice or the Federal Communications Commission, or  
264 appeal thereof, the Attorney General, upon request of the Office of  
265 Consumer Counsel, may retain outside legal counsel in accordance  
266 with section 3-125 to participate in such proceedings on behalf of the  
267 office, provided the work performed on behalf of the office shall not  
268 include lobbying activities, as defined in 2 USC 1602. All reasonable  
269 and proper expenses of such outside legal counsel shall be borne by  
270 the public service companies, certified telecommunications providers,  
271 electric suppliers or gas registrants that are affected by the decisions of  
272 such proceedings and shall be paid at such times and in such manner  
273 as the office directs, provided such expenses shall be apportioned in  
274 proportion to the revenues of each affected entity as reported to the  
275 department for purposes of section 16-49 for the most recent period,  
276 and provided further such expenses shall not exceed two hundred fifty  
277 thousand dollars, including any appeals thereof, in any calendar year.  
278 The Department of Public Utility Control shall recognize all such legal  
279 expenses as proper business expenses of the affected entities for rate-  
280 making purposes, as provided in section 16-19e, if applicable.]

281 (b) For any proceeding before the Federal Energy Regulatory

Commission, the United States Department of Energy, the United States Nuclear Regulatory Commission, the United States Securities and Exchange Commission, the Federal Trade Commission, the United States Department of Justice or the Federal Communications Commission, the Department of Public Utility Control and the Office of Consumer Counsel may retain consultants to assist their respective staffs in such proceedings by providing expertise in areas in which staff expertise does not currently exist or when necessary to supplement staff expertise. All reasonable and proper expenses of such expert consultants shall be borne by the public service companies, certified telecommunications providers, electric suppliers or gas registrants that are affected by the decisions of such proceedings and shall be paid at such times and in such manner as the department directs, provided such expenses (1) shall be apportioned in proportion to the revenues of each affected entity as reported to the department for purposes of section 16-49 for the most recent period, and (2) shall not exceed two hundred fifty thousand dollars per proceeding, including any appeals thereof, in any calendar year unless the department finds good cause for exceeding the limit. All such expenses shall be recognized by the department as proper business expenses of the affected entities for rate-making purposes pursuant to section 16-19e, if applicable.

Sec. 7. Subsection (c) of section 16-262j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) Each public service company, certified telecommunications provider and electric supplier shall pay interest on any security deposit it receives from a customer at the average rate paid, as of December 30, 1992, on savings deposits by insured commercial banks as published in the Federal Reserve Board bulletin and rounded to the nearest one-tenth of one percentage point, except in no event shall the rate be less than one and one-half per cent. On and after January 1, 1994, the rate for each calendar year shall be not less than the deposit index as determined by the Banking Commissioner and, as defined in

316 subsection (d) of this section, for that year and rounded to the nearest  
317 one-tenth of one percentage point, except in no event shall the rate be  
318 less than one and one-half per cent.

319 Sec. 8. Subsection (c) of section 16-8a of the general statutes is  
320 repealed and the following is substituted in lieu thereof (*Effective from*  
321 *passage*):

322 (c) (1) Not more than [thirty] ninety business days after receipt of a  
323 written complaint, in a form prescribed by the department, by an  
324 employee alleging the employee's employer has retaliated against an  
325 employee in violation of subsection (a) of this section, the department  
326 shall make a preliminary finding in accordance with this subsection.

327 (2) Not more than five business days after receiving a written  
328 complaint, in a form prescribed by the department, the department  
329 shall notify the employer by certified mail. Such notification shall  
330 include a description of the nature of the charges and the substance of  
331 any relevant supporting evidence. The employer may submit a written  
332 response and both the employer and the employee may present  
333 rebuttal statements in the form of affidavits from witnesses and  
334 supporting documents and may meet with the department informally  
335 to respond verbally about the nature of the employee's charges. The  
336 department shall consider in making its preliminary finding as  
337 provided in subdivision (3) of this subsection any such written and  
338 verbal responses, including affidavits and supporting documents,  
339 received by the department not more than twenty business days after  
340 the employer receives such notice. Any such response received after  
341 twenty business days shall be considered by the department only upon  
342 a showing of good cause and at the discretion of the department. The  
343 department shall make its preliminary finding as provided in  
344 subdivision (3) of this subsection based on information described in  
345 this subdivision, without a public hearing.

346 (3) Unless the department finds by clear and convincing evidence  
347 that the adverse employment action was taken for a reason

348 unconnected with the employee's report of substantial misfeasance,  
349 malfeasance or nonfeasance, there shall be a rebuttable presumption  
350 that an employee was retaliated against in violation of subsection (a) of  
351 this section if the department finds that: (A) The employee had  
352 reported substantial misfeasance, malfeasance or nonfeasance in the  
353 management of the public service company, holding company or  
354 licensee; (B) the employee was subsequently discharged, suspended,  
355 demoted or otherwise penalized by having the employee's status of  
356 employment changed by the employee's employer; and (C) the  
357 subsequent discharge, suspension, demotion or other penalty followed  
358 the employee's report closely in time.

359 (4) If such findings are made, the department shall issue an order  
360 requiring the employer to immediately return the employee to the  
361 employee's previous position of employment or an equivalent position  
362 pending the completion of the department's full investigatory  
363 proceeding pursuant to subsection (d) of this section.

364 Sec. 9. Subdivision (1) of subsection (b) of section 16-262c of the  
365 general statutes is repealed and the following is substituted in lieu  
366 thereof (*Effective from passage*):

367 (b) (1) From November first to April fifteenth, inclusive, no electric  
368 or electric distribution company, as defined in section 16-1, as  
369 amended by this act, no electric supplier and no municipal utility  
370 furnishing electricity shall terminate, deny or refuse to reinstate  
371 residential electric service in hardship cases where the customer lacks  
372 the financial resources to pay his or her entire account. From  
373 November first to April fifteenth, inclusive, no gas company and no  
374 municipal utility furnishing gas shall terminate or refuse to reinstate  
375 residential gas service in hardship cases where the customer uses such  
376 gas for heat and lacks the financial resources to pay his or her entire  
377 account, except a gas company that, between April sixteenth and  
378 October thirty-first, terminated gas service to a residential customer  
379 who uses gas for heat and who, during the previous period of  
380 November first to April fifteenth, had gas service maintained because

381 of hardship status, may refuse to reinstate the gas service from  
382 November first to April fifteenth, inclusive, only if the customer has  
383 failed to pay, since the preceding November first, the lesser of: (A)  
384 Twenty per cent of the outstanding principal balance owed the gas  
385 company as of the date of termination, (B) one hundred dollars, or (C)  
386 the minimum payments due under the customer's amortization  
387 agreement. Notwithstanding any other provision of the general  
388 statutes to the contrary, no electric, electric distribution or gas  
389 company, no electric supplier and no municipal utility furnishing  
390 electricity or gas shall terminate or refuse to reinstate residential  
391 electric or gas service where the customer lacks the financial resources  
392 to pay his or her entire account and for which customer or a member  
393 of the customer's household the termination or failure to reinstate such  
394 service would create a life-threatening situation.

395 Sec. 10. Subdivision (30) of subsection (a) of section 16-1 of the  
396 general statutes is repealed and the following is substituted in lieu  
397 thereof (*Effective from passage*):

398 (30) "Electric supplier" means any person [, including an electric  
399 aggregator] or participating municipal electric utility that is licensed  
400 by the Department of Public Utility Control in accordance with section  
401 16-245, as amended by this act, [that] and provides electric generation  
402 services to end use customers in the state using the transmission or  
403 distribution facilities of an electric distribution company, regardless of  
404 whether or not such person takes title to such generation services, but  
405 does not include: (A) A municipal electric utility established under  
406 chapter 101, other than a participating municipal electric utility; (B) a  
407 municipal electric energy cooperative established under chapter 101a;  
408 (C) an electric cooperative established under chapter 597; (D) any other  
409 electric utility owned, leased, maintained, operated, managed or  
410 controlled by any unit of local government under any general statute  
411 or special act; or (E) an electric distribution company in its provision of  
412 electric generation services in accordance with subsection (a) or, prior  
413 to January 1, 2004, subsection (c) of section 16-244c.

414 Sec. 11. Subdivision (31) of subsection (a) of section 16-1 of the  
415 general statutes is repealed and the following is substituted in lieu  
416 thereof (*Effective from passage*):

417 (31) "Electric aggregator" means [(A) a person, municipality or  
418 regional water authority that] any person, municipality, regional water  
419 authority or the Connecticut Resource Recovery Authority, if such  
420 entity gathers together electric customers for the purpose of  
421 negotiating the purchase of electric generation services from an electric  
422 supplier, [or (B) the Connecticut Resources Recovery Authority, if it  
423 gathers together electric customers for the purpose of negotiating the  
424 purchase of electric generation services from an electric supplier,]  
425 provided such [person, municipality or authority] entity is not  
426 engaged in the purchase or resale of electric generation services, and  
427 provided further such customers contract for electric generation  
428 services directly with an electric supplier, and may include an electric  
429 cooperative established pursuant to chapter 597.

430 Sec. 12. Subsection (a) of section 16-1 of the general statutes is  
431 amended by adding subdivision (46) as follows (*Effective from passage*):

432 (NEW) (46) "Electric broker" means any person, municipality,  
433 regional water authority or the Connecticut Resources Recovery  
434 Authority, if such entity arranges or acts as an agent, negotiator or  
435 intermediary in the sale or purchase of electric generation services  
436 between any end use customer in the state and any electric supplier,  
437 but does not take title to any of the generation services sold, provided  
438 (A) such entity is not engaged in the purchase and resale of electric  
439 generation services, and (B) such customer contracts for electric  
440 generation services directly with an electric supplier, and may include  
441 an electric cooperative established pursuant to chapter 597.

442 Sec. 13. Subsection (l) of section 16-245 of the general statutes is  
443 repealed and the following is substituted in lieu thereof (*Effective from*  
444 *passage*):

445 (l) (1) An electric aggregator or electric broker shall not be subject to

446 the provisions of subsections (a) to (k), inclusive, of this section.

447 (2) No electric aggregator or electric broker shall arrange or  
448 negotiate a contract for the purchase of electric generation services  
449 from an electric supplier unless such aggregator or electric broker has  
450 [(A)] obtained a certificate of registration from the Department of  
451 Public Utility Control in accordance with this subsection. [, or (B) in the  
452 case of a municipality, regional water authority and the Connecticut  
453 Resources Recovery Authority, registered in accordance with section  
454 16-245b.] An electric aggregator that was licensed pursuant to this  
455 section prior to July 1, 2003, shall receive a certificate of registration on  
456 July 1, 2003. An entity that has been issued an electric supplier license  
457 by the Department of Public Utility Control pursuant to subsections (a)  
458 to (k), inclusive, of this section may act as an electric aggregator or  
459 electric broker without having to obtain a certificate of registration in  
460 accordance with this subsection.

461 (3) An application for a certificate of registration shall be filed with  
462 the department, accompanied by a fee as determined by the  
463 department. The application shall contain such information as the  
464 department may deem relevant, including, but not limited to, the  
465 following: (A) The address of the applicant's headquarters and the  
466 articles of incorporation, if applicable, as filed with the state in which  
467 the applicant is incorporated; (B) the address of the applicant's  
468 principal office in the state, if any, or the address of the applicant's  
469 agent for service in the state; (C) the toll-free or in-state telephone  
470 number of the applicant; (D) information about the applicant's  
471 corporate structure, if applicable, including [financial names and  
472 financial statements, as relevant, concerning] names and background  
473 information of corporate affiliates; (E) disclosure of whether the  
474 applicant or any of the applicant's corporate affiliates or officers, if  
475 applicable, have been or are currently under investigation for violation  
476 of any consumer protection law or regulation to which it is subject,  
477 either in this state or in another state. Each registered electric  
478 aggregator or electric broker shall update the information contained in  
479 this subdivision as necessary.

480 (4) Not more than thirty days after receiving an application for a  
481 certificate of registration, the department shall notify the applicant  
482 whether the application is complete or whether the applicant must  
483 submit additional information. The department shall grant or deny the  
484 application for a certificate of registration not more than ninety days  
485 after receiving all information required of an applicant. The  
486 department shall hold a public hearing on an application upon the  
487 request of any interested party.

488 (5) As a condition for maintaining a certificate of registration, the  
489 registered electric aggregator or electric broker shall ensure that, where  
490 applicable, it complies with the National Labor Relations Act and  
491 regulations, if applicable, and it complies with the Connecticut Unfair  
492 Trade Practices Act and applicable regulations.

493 (6) Any registered electric aggregator or electric broker that fails to  
494 comply with a registration condition or violates any provision of this  
495 section shall be subject to civil penalties by the Department of Public  
496 Utility Control in accordance with the procedures contained in section  
497 16-41, or the suspension or revocation of such registration, or a  
498 prohibition on accepting new customers following a hearing that is  
499 conducted as a contested case in accordance with the provisions of  
500 chapter 54.

501 Sec. 14. Section 16-245b of the general statutes is repealed and the  
502 following is substituted in lieu thereof (*Effective from passage*):

503 Notwithstanding the provisions of subsection (a) of section 16-245,  
504 the provisions of said section shall not apply to (1) any municipality or  
505 regional water authority that aggregates or brokers the sale of electric  
506 generation services, or to the Connecticut Resources Recovery  
507 Authority if such authority aggregates or brokers the sale of electric  
508 generation services, for end use customers located within the  
509 boundaries of such municipality or regional water authority, (2) any  
510 municipality that joins together with other municipalities to aggregate  
511 or broker the sale of electric generation services for end use customers



512 located within the boundaries of such municipalities, or (3) any  
513 municipality or regional water authority that aggregates or brokers the  
514 purchase of electric generation services for municipal facilities, street  
515 lighting, boards of education and other publicly-owned facilities  
516 within (A) the municipality for which the municipality is financially  
517 responsible, or (B) the municipalities that are within the authorized  
518 service area of the regional water authority. Any municipality or  
519 regional water authority that aggregates or brokers in accordance with  
520 this section shall register not less than annually with the Department  
521 of Public Utility Control on a form prescribed by the department.

522 Sec. 15. Subsection (b) of section 16-245p of the general statutes is  
523 repealed and the following is substituted in lieu thereof (*Effective from*  
524 *passage*):

525 (b) The Department of Public Utility Control shall maintain and  
526 make available to customers upon request, a list of electric aggregators  
527 and electric brokers and the following information about each electric  
528 supplier and each electric distribution company providing standard  
529 service or back-up electric generation service, pursuant to section 16-  
530 244c: (1) Rates and charges; (2) applicable terms and conditions of a  
531 contract for electric generation services; (3) the percentage of the total  
532 electric output derived from each of the categories of energy sources  
533 provided in subsection (e) of section 16-244d, the total emission rates  
534 of nitrogen oxides, sulfur oxides, carbon dioxide, carbon monoxide,  
535 particulates, heavy metals and other wastes the disposal of which is  
536 regulated under state or federal law at the facilities operated by or  
537 under long-term contract to the electric supplier or providing electric  
538 generation services to an electric distribution company providing  
539 standard service or back-up electric generation service, pursuant to  
540 section 16-244c, and the analysis of the environmental characteristics of  
541 each such category of energy source prepared pursuant to subsection  
542 (e) of [said] section 16-244d and to the extent such information is  
543 unknown, the estimated percentage of the total electric output for  
544 which such information is unknown, along with the word "unknown"  
545 for that percentage; (4) a record of customer complaints and the

546 disposition of each complaint; and (5) any other information the  
547 department determines will assist customers in making informed  
548 decisions when choosing an electric supplier. The department shall  
549 make available to customers the information filed pursuant to  
550 subsection (a) of this section not later than thirty days after its receipt.  
551 The department shall put such information in a standard format so  
552 that a customer can readily understand and compare the services  
553 provided by each electric supplier.

554 Sec. 16. Subdivision (19) of subsection (a) of section 22a-266 of the  
555 general statutes is repealed and the following is substituted in lieu  
556 thereof (*Effective from passage*):

557 (19) Act as an electric supplier, [or] an electric aggregator or an  
558 electric broker pursuant to public act 98-28\* provided any net revenue  
559 to the authority from activities, contracts, products or processes  
560 undertaken pursuant to this subdivision, after payment of principal  
561 and interest on bonds and repayment of any loans or notes of the  
562 authority, shall be distributed so as to reduce the costs of other  
563 authority services to the users thereof on a pro rata basis proportionate  
564 to costs paid by such users. In acting as an electric supplier, [or an]  
565 electric aggregator or electric broker pursuant to any license granted  
566 by the Department of Public Utility Control, the authority may enter  
567 into contracts for the purchase and sale of electricity and electric  
568 generation services, provided such contracts are solely for the  
569 purposes of ensuring the provision of safe and reliable electric service  
570 and protecting the position of the authority with respect to capacity  
571 and price.

572 Sec. 17. Subsection (c) of section 7-148ee of the general statutes is  
573 repealed and the following is substituted in lieu thereof (*Effective from*  
574 *passage*):

575 (c) No corporation established pursuant to subsection (a) of this  
576 section shall engage in the manufacture, distribution, purchase or sale,  
577 or any combination thereof, of electricity, gas or water outside the

578 service area of such municipal electric or gas utility or within its  
579 service area if it encroaches upon the service area or franchise area of  
580 another water or gas utility. Nothing in this section shall be construed  
581 to permit any municipal electric utility to engage in the sale, [or]  
582 aggregation or brokering of electric generation services other than  
583 pursuant to section 16-245, as amended by this act.

584 Sec. 18. Subsection (b) of section 33-219 of the general statutes is  
585 repealed and the following is substituted in lieu thereof (*Effective from*  
586 *passage*):

587 (b) Notwithstanding the provisions of subsection (a) of this section,  
588 cooperative, nonprofit, membership corporations may be organized  
589 under this chapter for the purpose of generating electric energy by  
590 means of cogeneration technology, renewable energy resources or both  
591 and supplying it to any member or supplying it to, purchasing it from  
592 or exchanging it with a public service company, electric supplier, [as  
593 defined in section 16-1,] municipal aggregator, [as defined in said  
594 section] electric broker, municipal utility or municipal electric energy  
595 cooperative, all as defined in section 16-1, as amended by this act, in  
596 accordance with an agreement with the company, electric supplier,  
597 electric aggregator, electric broker, municipal utility or cooperative. No  
598 membership corporation under this subsection may exercise those  
599 powers contained in subsection (i) or (j) of section 33-221 unless the  
600 prior approval of the Department of Public Utility Control is obtained,  
601 after opportunity for hearing in accordance with title 16 and chapter  
602 54. Any cooperative organized on or after July 1, 1998, pursuant to this  
603 subsection shall collect from its members the competitive transition  
604 assessment levied pursuant to section 16-245g and the systems benefits  
605 charge levied pursuant to section 16-245l in such manner and at such  
606 rate as the Department of Public Utility Control prescribes, provided  
607 the department shall order the collection of said assessment and said  
608 charge in a manner and rate equal to that to which the members of the  
609 cooperative would have been subject had the cooperative not been  
610 organized.

611 Sec. 19. Section 16-247p of the general statutes is repealed and the  
612 following is substituted in lieu thereof (*Effective from passage*):

613 (a) Not later than April 1, 2000, the Department of Public Utility  
614 Control shall, by regulations adopted pursuant to chapter 54, establish  
615 quality-of-service standards that shall apply to all telephone  
616 companies and certified telecommunications providers and to all  
617 telecommunications services. Such standards shall include, but not be  
618 limited to, measures relating to customer trouble reports, service  
619 outages, installation appointments and repeat problems as well as  
620 timeliness in responding to complaints or reports. The department  
621 shall include with the quality of service standards methodologies for  
622 monitoring compliance with and enforcement of such standards. Such  
623 monitoring shall include input from employees of telephone  
624 companies and certified telecommunications providers, including  
625 members of collective bargaining units.

626 (b) [Not later than April 1, 2000, the] The department shall, [by  
627 regulations adopted pursuant to chapter 54] through administrative  
628 proceedings, establish comprehensive performance standards and  
629 performance based reporting requirements for functions provided by a  
630 telephone company to a certified telecommunications provider,  
631 including, but not limited to, telephone company performance relating  
632 to customer ordering, preordering, provisioning, billing, maintenance  
633 and repair. Such service standards shall be sufficiently comprehensive  
634 to ensure that a telephone company meets its obligations under 47  
635 USC 251. Such [regulations] standards may also contain provisions the  
636 department deems necessary to prevent anticompetitive actions by any  
637 telephone company or certified telecommunications provider.

638 (c) Notwithstanding subsection (b) of this section, the department  
639 shall not adopt performance standards and performance-based  
640 reporting requirements pursuant to subsection (b) of this section if a  
641 telephone company offers performance standards and measures to  
642 competitive local exchange carriers who obtain services pursuant to 47  
643 USC 251.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-47(a)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	16-19b(h)
Sec. 4	<i>from passage</i>	16-19(a)
Sec. 5	<i>October 1, 2007</i>	16-22
Sec. 6	<i>July 1, 2007</i>	16-6a
Sec. 7	<i>from passage</i>	16-262j(c)
Sec. 8	<i>from passage</i>	16-8a(c)
Sec. 9	<i>from passage</i>	16-262c(b)(1)
Sec. 10	<i>from passage</i>	16-1(a)(30)
Sec. 11	<i>from passage</i>	16-1(a)(31)
Sec. 12	<i>from passage</i>	16-1(a)
Sec. 13	<i>from passage</i>	16-245(l)
Sec. 14	<i>from passage</i>	16-245b
Sec. 15	<i>from passage</i>	16-245p(b)
Sec. 16	<i>from passage</i>	22a-266(a)(19)
Sec. 17	<i>from passage</i>	7-148ee(c)
Sec. 18	<i>from passage</i>	33-219(b)
Sec. 19	<i>from passage</i>	16-247p

**ET**      *Joint Favorable Subst.*

**JUD**      *Joint Favorable*

**BA**      *Joint Favorable*